

Northumberland County
Joint Finance Committee Meeting
Thursday, March 5, 2026 - 5:30 p.m.
General District Courtroom- 220 Judicial Pl., Heathsville

Chairman Brann of the Board of Supervisors called the Joint Finance Committee meeting to order at 5:30 p.m. in the General District Courtroom located at 220 Judicial Place, Heathsville, VA 22473.

1. Re-organization: Chairs/Co-Chairs

Chairman Brann of the Board of Supervisors stated that the two citizen representatives served as the co-chairs in the past, so he'd like to see the two new citizen representatives, Mr. John Kost and Mrs. Heather Crockrell, serve as the co-chairs of the committee.

Chairman Curran of the School Board agreed.

Motion to appoint Mr. John Kost and Mrs. Heather Cockrell as the co-chairs of the Joint Finance Committee.

Motion by: James W. Brann, second by: Chip Williams.

Final Resolution: Motion Carried

Aye: James W. Brann, Chip Williams, John Kost, Dave Curran, Carolyn Crockett, Heather Cockrell

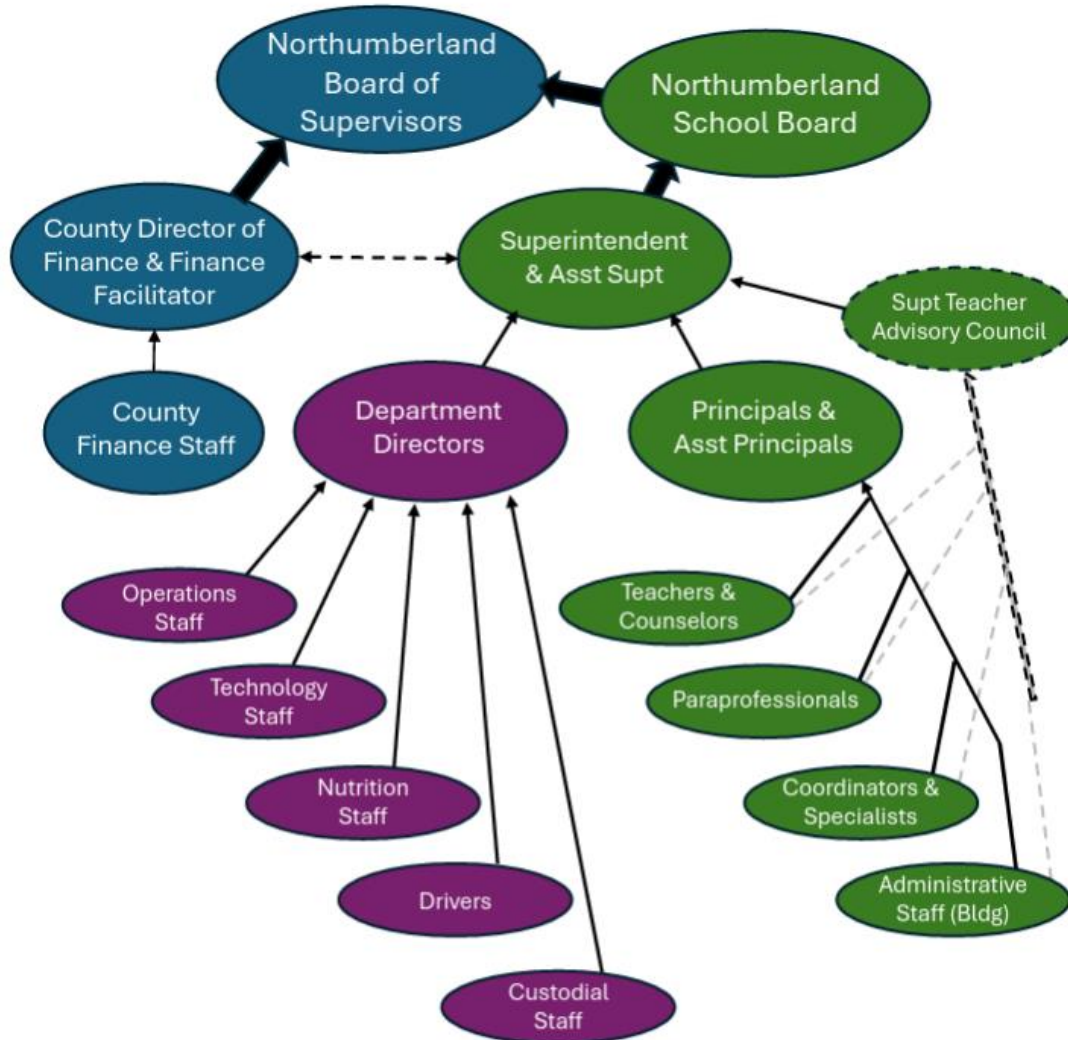
Mr. Kost asked if minutes are drafted for the committee meetings and asked if the co-chairs work with the committee members to draft and set the agenda prior to meetings.

The committee confirmed that the Executive Assistant of the County Administrator does the minutes for the committee meetings and the co-chairs will draft and set the agenda with the help of the committee.

2. School Procedural Chart Discussion

Superintendent of Schools, Dr. Karen Leslie, explained that the procedural chart is essentially how they anticipate anyone within the School Division putting forth any concerns they have from employees. The communication flowchart on how the chain of command should operate can be found below:

SCHOOL PROCEDURAL FLOWCHART



Co-Chair John Kost asked if Finance Director Anne Curran and Finance Facilitator Karen Pica were comfortable with the chart presented.

Both parties agreed that it helps avoid confusion and allows for more space to get work done.

School Board Chair Dave Curran noted that the communication flow goes both ways.

Co-Chair Kost asked if the chart has been distributed to the entire school staff.

Superintendent Leslie stated at this point it's been distributed to Division staff, but it will be to the entire staff.

School Board Chair Dr. Curran recommended sending this to County staff as well, so they are aware of the flow of communication.

3. Updated FY27 School Budget

Finance Director Anne Curran stated that there was no update on the school budget at this time and asked if they would be able to look at everyone's budget.

County Administrator Tadlock explained that the County is in the process of inputting year-to-date figures for the budget, as well as compiling the department budgets information. He stated that Dr. Anne Curran, Dr. Karen Pica and a Board member representative can then discuss those items.

Dr. Anne Curran recommended Dr. Pica take a look at those items because she does a great job.

Finance Facilitator Dr. Pica stated that there has already been an update to the school budget since it was submitted and there will be more updates as they were able to find more savings and will be making updates regarding health insurance. However, final numbers should be available by the next Board of Supervisors meeting, and they are right on track with the budget schedule that was presented as final budget numbers were supposed to be due back by April 2, 2026.

Dr. Pica asked about the "County side" of the budget because she thought they were all County. She doesn't understand why they are referred to as the "school side." She wanted to clarify the roles so that they're not missing something that they should be helping with.

Mr. Tadlock explained that he was just referring to the County part of the budget. He stated that the school is a part of that, but he was referring to all departments and agencies as their due date for submittals was back in February.

Dr. Pica stated that there were some specific requests for some of the outside agencies for reports and it's really important that she gets those because there are opportunities for saving as well as shifting funds for economic development or other essentials.

Mr. Chip Williams, Vice Chairman of the Board of Supervisors, asked for clarification on if they'd receive the final school budget at their Board of Supervisors meeting on Thursday.

Dr. Pica stated if the School Board makes policy decisions on Monday night, then yes.

School Board Chair Dr. Curran asked Mr. Tadlock if he had an estimated time frame of the budget being ready for review.

Mr. Tadlock explained that the Assistant County Administrator, Mr. Basye, and he are going to work on a time frame to present to the Board of Supervisors next week.

Finance Director Anne Curran wanted to remind everyone that the Finance Team and SpED will be very busy with the auditors next week.

Co-Chair Kost asked if they expect findings before the next committee meeting so he can put it on the agenda.

Finance Director Curran stated that they should have findings a month from now.

4. FY27 Health Insurance

School Board Chair Dr. Curran commented on there no longer being a Key Advantage 250 health insurance option and brought attention to the fact that the schools and the County are currently in the same insurance group. If the schools were to break away for whatever reason, it's going to affect the County budget in a negative way as there would be less participants.

Mr. Kost asked if there is some reason why the school would split off?

Dr. Curran stated he just wanted to make it known that the school has the ability to split off. He hopes this topic gets addressed on Monday at their School Board meeting.

Superintendent Leslie stated she has prepared documentation for Monday's meeting regarding the School Board's health insurance options.

Mr. Jimmy Brann stated that the 13% increase costs the County an additional \$230,000. He asked what the school anticipates their additional cost to be if there is a 13% increase.

Dr. Pica explained that she ran figures for a 10% increase and that alone was \$226,000.

Mr. Brann stated between the County and the school it's a half a million dollars extra they didn't expect to see this year. That's a huge tax increase from the start.

Dr. Dave Curran understands and believes it's important to address these other variables affecting the budget in open meetings like this, so the public understands as well. He informed the committee that he's in the process of gathering information on other localities in the Northern Neck as far as what they are doing with health insurance and salary increases for their employees and he's going to look at how they differentiate.

Mr. Kost asked if the Boards have considered looking at multi-jurisdictional consortiums for purchasing insurance and wondered if there is any organization in the County that could organize a discussion around this.

Mr. Tadlock stated that discussions have come up previously about this and he was going to reach out to other County Administrators, but if they want to look at school divisions and the counties as a whole, they can start working with the committee on that.

Dr. Dave Curran offered to work with the school side on that if Mr. Tadlock wants to work on the County side. He clarified that he'd be interested in the Northern Neck and Middle Peninsula, whoever they can get involved in the consortium.

Finance Director Anne Curran suggested reaching out to Pierce Group when researching this information.

Mr. Kost wondered if the Virginia Association of Counties has any insight or guidance on this.

5. FY27- Summary of SFAC Recommended Direct Aid Amendments to SB30

Dr. Dave Curran stated that the average daily membership (ADM) projected in the chart shows a decrease in 2028 which will negatively impact the local composite index (LCI). The chart can be accessed on the County's website under the meeting date, March 5, 2026.

Mr. Kost asked Superintendent Leslie if the projection was off or if it's too early to tell.

Dr. Leslie believes it's too early to tell.

6. Key Budget Policy Choices

Dr. Curran presented page four of "Key Budget Policy Choices" as seen below:

	Introduced	House Appropriations	Senate Finance
K-12 Education			
Per-pupil for divs	FY27: \$9,477 FY28: \$9,620	FY27: \$9,876 FY28: \$9,683	[awaiting direct aid sheets]
Updated data	Updates funding per new data; reduces VRS \$214m from lower rates \$543.8m	Same as introduced \$543.8m	Updates per data center reform & new data; includes \$214m VRS reduct. \$705.2m
Compensation, SOQ instruct. & support staff	Funds state share of 2% raise each year (see above for VRS) \$381.7m	Same as introduced \$381.7m	Funds state share of 3% raise ea. yr (see above for VRS); reqs reg. JLARC report \$575.0m
Flexible funding	Increase not included	Provides one-time funds conting. on 2% div raises & MOE, including \$100m for low-income students \$400.4m	See Lottery-funded PPA below
Students with disabilities	Funds IEP enhancements \$2.0m	More than doubles flex. add-on to 9.25% (Level I) & 17.5% (Level II); funds IEP enhancements \$150.4m	Increases flex. add-on to 5.75% (Level I) & 6.25% (Level II); Funds IEP enhancements \$27.6m
	Expansion not included	Expands eligibility for SISNA (regional schools) \$10.0m	Expansion not included
Low income add-on	Increase not included	See flexible funding above	Boosts max concentration weight to 39.9% (FY27) & 52.1% (FY28); includes \$20m Lottery \$98.7m
School construction	Increases casino tax transfer to School Construct. Fund by \$127m; total 2-yr transfer est. \$347m (see also Literary)	Make \$127m casino transfer (sales tax referendum bill passed House, HB334; see also Literary)	Makes \$127m casino transfer; allows sales tax for construction referendum in every locality (see also Literary)
Lottery and Literary	Transfers \$172m from Literary to School Construct. Fund; ends Literary Fund set-aside for construct. loans	Ends Literary Fund \$\$ for construction loans	Transfers \$172m from Literary to School Construct. Fund; provides up to \$50m Literary for construction loans
	Supplants GF w/ Literary -\$285.0m	Supplants GF w/ Literary -\$457.0m	Supplants GF w/ Literary -\$235.0m
	Backfills GF for lower Lottery forecast \$35.2m	Backfills GF for lower Lottery forecast, adjusted for Dec revenues \$20.2m	Backfills GF, adds \$60m to Infrastructure & Ops PPA from skill games bill \$35.2m
School improve.	Plan & reporting not included	Requires plan & reporting for program	Plan & reporting not included
School breakfast	Increase not included	Increase not included	Boosts reimburse. by 22¢ \$17.6m
Comm. Schools	Increase not included	Increase not included	Increases Planning Grant \$ \$5.0m
Joint Subcomm.	Increase not included	Provides funding & data collection for development of implementation plan \$0.3m	Provides funding for RFP to support new funding formula development \$1.3m
LCI	Changes not included	Strikes error correction language	Adds data center equip. starting FY29
VDOE systems	Funding not included	Funding not included	Funds statewide financial system; may use unspent \$ for new assessment system \$50.0m
Other funding	Provides small targeted increases \$1.4m	Implements bills & targeted increases, incl. \$70k for \$11.2m	Implements bills & targeted increases \$29.0m

Mr. Chip Williams asked if the SOQ compensation would require a local match?

Dr. Curran stated it depends on how they write the legislation.

Superintendent Leslie stated that they moved the last compensation to a bonus, which was \$1,500 for SOQ positions but it did require a local match based on the LCI. The compensation part was being handled separately, and it did. She stated it probably would require a local match, however that is only a percentage of their employees.

Dr. Curran stated that these bills could be coming our way and could have a negative or positive impact on the budget.

Co-Chair Kost asked Mr. Tadlock if VACo has a similar document that they share that shows legislation that affects County funding?

Mr. Tadlock stated that they send memos from time to time. He said they've given summaries as far as what some of the senate and house bills look like and he informed them he'd send that information out to the committee.

Co-Chair Kost mentioned that the CIP committee, formed by the Planning Commission, met today to discuss capital spending for the next fiscal year and the years to come. One of the concerns he raised was where they should place the extra revenue on the school's side to ensure that it is used for capital purposes. For example, EMS is beginning to talk about the potential of a new building in the next decade and that is not something you write a check for. Mr. Kost stated that they need to know that when the Board approves financial decisions such as this, that those funds are in a secure place to be able to do that.

Finance Facilitator Pica recommended the committee look into the County's capital reserve account and make sure there is way that all the school revenue is deposited into that account. She stated that the school should not have their own reserve account. The elected officials will be responsible for monitoring that account and making sure that balance does not change.

Mr. Kost asked if there is a process underway to get that money to the County's capital reserve when identified and not at the end of the fiscal year.

Dr. Pica stated no, that she's been told there is no way to do that until the end of the fiscal year.

Bookkeeper & Benefits Administrator Ms. Dodson explained the process of how monies are returned to the County at the end of the fiscal year. She informed the committee that there are two CIP accounts, but only one bank account. However, staff is working to create another bank account for only CIP.

County Administrator Tadlock talked to the Treasurer who informed him that the VIP account can consist of multiple accounts, so they can break it down and separate the CIP funds from the rest of those monies. Initially, it was thought that breaking it out would impact the way interest was accrued but it does not.

Mr. Kost asked staff what they need to make that happen and get things in place now.

Mr. Tadlock stated that this is going to be more on the Treasurer's side to get those accounts set up.

Mr. Kost asked that Mr. Tadlock reach out to Treasurer Pam King to see if she needs help getting this done. He also asked if staff could provide a status report on their progress at either the Board of Supervisors meeting next week or their next Joint Finance Committee meeting.

7. Next Meeting

The committee agreed that they should meet before the School Board meetings as well as the Board of Supervisors meetings.

Finance Director Anne Curran asked that the MOU be included on the agenda for the next meeting.

Mr. Kost stated that he will reach out to everyone on the committee for guidance on putting together the agenda for the next meeting.

The committee agreed to meet again on March 26, 2026 at 5:30 p.m.